

# Recreational Authority Millage (8/5/20)

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## Summary

The Recreational Authority is in the process of determining whether to pursue a millage proposal in November. As a formal part of this process, notices were sent to the City and Township. The Recreational Authority has always relied on public opinion to make sure we are serving the community well, so they have recently conducted a survey of City and Township residents to help guide the decision.

Should the Rec Authority seek a November 2020 ballot proposal, it will accomplish the following:

- Provide the local matching funds for the purchase of Hickory Forest, an 80-acre natural woodland that would further expand the public natural area at Hickory Hills and Hickory Meadows for land preservation and passive recreational use.
- Provide funding to leverage further the preservation, renovation, and maintenance needs for the two barns at Historic Barns Park.
- Support fundraising efforts at Historic Barns Park by providing assurance to donors that the Rec Authority will continue its mission beyond 2024.
- Ensure the ability of the Rec Authority to continue operations beyond the expiration of its current operating millage in 2024.

While this proposal will involve a minor increase in millage rates between 2020 and 2023, it will ultimately lead to lower rates between 2024 and 2039, following the repayment of the current bond which expires in 2024.

## History

2003 – The City of Traverse City and Charter Township of Garfield Recreational Authority (Rec Authority) incorporated through joint action of Traverse City (City) and Garfield Charter Township (Township).

2004 – Electorate of City and Township approved 20-year Operating and Debt Service millages by 3-1 margin for the acquisition and preservation of three properties:

- West Bay Waterfront – Purchase of a 0.5-acre parcel on West Grand Traverse Bay and the demolition/reclamation of the building and property to complete the public Open Space on the waterfront;
- Hickory Meadows – Purchase of a 112-acre parcel adjoining City-owned parkland (Hickory Hills to the west) for passive public recreation; and

- Historic Barns Park – A 56-acre parcel transferred to the Rec Authority focusing on preservation action around two large historic barns.

2005-2017 – Through partnerships and community support, goals and objectives achieved:

- Historic Barns Park reborn as a community hub for gardening, education, events and outdoor recreation;
- Hickory Meadows is open space with fields, forests and trails for hiking and cross country skiing. Recently partnered with City in redevelopment of adjacent Hickory Hills; and
- West Bay Waterfront is incorporated open space with adjacent City parkland along West Grand Traverse Bay.

2018 – Public visioning process undertaken through Beckett & Raeder to determine next steps for consideration by the Rec Authority (see the *2019 Public Visioning Report* on the Rec Authority's website at [www.recauthority.org](http://www.recauthority.org)).

Outcome of visioning process in broad terms:

- Finish what was started, especially regarding the preservation and use of facilities at the Historic Barns Park;
- Be open to possibilities of acquisition of new park properties; and
- Maintain fiscal stability in the operation of the Rec Authority by requesting a new 20-year Operating Millage sooner than the current 2024 expiration to assure continuation and continuity of services.

## Needs and Opportunities

### Property Acquisition and Preservation Opportunities

A singular opportunity arose this year to acquire and preserve additional property next to Hickory Hills and Hickory Meadows. A millage request in November, if successful, would give the Rec Authority the capacity to pursue grant funds and provide matching dollars for the public purchase of the property and its subsequent management and care, balancing the inherent conservation values of the property with passive recreational use.

Hickory Forest – an 80-acre parcel adjoining Hickory Hills on the west side (see attachment A) to be used for open-space preservation and passive recreation.

- Grand Traverse Land Conservancy has purchase option agreement in place which secures the property for up to three years.
- Acquisition cost is \$650,000. A successful millage renewal will provide the local match funding of \$200,000 required to pursue a competitive grant from the Michigan Natural Resources Trust Fund (Michigan Department of Natural

Resources) to cover the remainder of the acquisition costs. Grant deadline is April 1st of each calendar year.

Potential additional property acquisition(s) not to exceed \$100,000.

#### Restoration of the two historic barns at Historic Barns Park

##### Cathedral Barn:

- Maintain exterior, i.e., roof replacement, exterior painting at an estimated cost of \$50,000.
- Create entry Vestibule for the upper level at an estimated cost of \$60,000.
- Finish lower level at an estimated cost of \$681,000.

##### Historic Barn:

- Maintain exterior, i.e., roof replacement, exterior painting at an estimated cost of \$50,000.
- Provide matching funds for restoration activities in collaboration with a third-party non-profit who intends to use the barn in accordance with Rec Authority's park usage policy. Matching funds not to exceed \$750,000.

##### Barns Connector:

- Construct a connector of the two barns with entry lobby, stairs and elevator. Estimated cost of \$647,900.

The Rec Authority's priority items are the exterior maintenance of the barns and the entry vestibule for the Cathedral Barn. All other items will be considered as funds become available or other arrangements materialize.

#### Operations

- Continue to contract with third parties for administration and operations.
- Continue to support the current partnerships and offer assistance to the non-profits operating programs, implementing projects, maintaining and investing in buildings and grounds, and delivering services at the Historic Barns Park.
- In addition to the increased operational cost with the acquisition of the Hickory Forest property, operational cost at the Historic Barns Park will increase \$14,000 yearly for the maintenance of the internal road system.
- Achieve a 25% Operational Fund Balance within seven (7) years of millage renewal.
- Generate at least \$100,000 in Capital Improvement Funds annually for the purpose of Capital Projects or for use as a match for grant opportunities.

The Recreational Authority is currently only scheduled to operate through 2024. Through studies and public visioning processes, the City and Township have both expressed a strong desire to see the Authority continue its work beyond that point. However, as the known operating window shrinks each year, it is becoming harder for

the Rec Authority to plan future activities and engage with outside sources of funding, both of which have been critical to the success of the Authority so far.

## Proposal Details

- Ballot Proposal for November 3, 2020 General Election in the City and Township of Garfield for a 20-year operating levy of 0.3 mill.
- An operating levy of 0.3 mill would cost approximately \$30 per year for the average residential property owner in both jurisdictions.
- The first year of the proposed, if the full amount is levied, the Operational revenue generated by the increase would be approximately \$608,000.
- The Rec Authority will not seek renewal of the original Debt Service Millage which expires in 2024.
- Recreational Authorities in Michigan cannot exceed a total levy of 1.000 mill. Current millage rates are 0.0978 for Operational and 0.33 for Debt Service for a total of 0.4278 mill. With the new millage, the total millage rate, if fully levied, would be approximately 0.6300 mill until 2024 (the variable portion of the total rate is the Debt Service). When the original 2004 bond debt is retired in 2024, the total millage rate would drop to 0.3000 (Operational only).
- Prior to 2024, the Rec Authority Board commits by resolution to levy an Operational Millage rate below the 0.3000 maximum but sufficient to cover the match for acquiring the Kroupa property, build the Entry Vestibule at the Cathedral Barn, and conduct basic operations. Beginning in 2024 (following debt retirement), the full Operational millage may be levied.

## Additional Information

The Rec Authority was created under the provisions of Michigan's Recreational Authorities Act (Public Act No. 321 of 2000). The City of Traverse City and Charter Township of Garfield are the two parent jurisdictions, and by law any ballot measure for funding of the authority must be passed in both the City and the Township during a statewide general election. The City of Traverse City currently has 12,946 registered voters and Garfield Township has 15,820 registered voters.

Under the bylaws of the Rec Authority, ballot language must be submitted to the parent jurisdictions for a 45-day comment period (i.e., preferably by the June 3 meeting of the Rec Authority Board, but no later than June 15). Final language must be completed by August 5<sup>th</sup> in order to be submitted to the Grand Traverse and Leelanau County Clerks by August 11, 2020. The Board at its August 5, 2020 Meeting approved the Resolution to submit the ballot measure for consideration for the November 3, 2020 General Election.

Additional information regarding the Rec Authority can be found at [www.recauthority.org](http://www.recauthority.org).